

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7186

BILL NUMBER: HB 1443

NOTE PREPARED: Jan 7, 2013

BILL AMENDED:

SUBJECT: Teacher Loan Repayment; Teacher Academy.

FIRST AUTHOR: Rep. Moed

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill provides up to \$15,000 educational loan repayment for a public elementary or a high school teacher who:

1. Is a graduate of the teacher academy; and
2. Teaches at least five years in a geographic or subject area with a teacher shortage.

The bill establishes the Teacher Academy within the education school or department of a state educational institution selected by the Commission on Higher Education (CHE) to recruit high school students who are in the highest 10% of their classes to pursue careers as teachers.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The bill would allow CHE to enter into an agreement with a state education institution to create a Teacher Academy within the school. The academy would recruit the top 10% of students annually to become teachers. The provision should not require additional cost by CHE and the state educational institution should be able to create the academy within their current resources.

The bill creates the Teacher Loan Repayment Fund to attract qualified teachers of the Teacher Academy to public schools with critical shortages by granting repayment loans. The bill would probably not have any impact for 4 or 5 years. A Teacher Academy graduate that agrees to teach in a critical shortage geographic or subject area as designed by the Department of Education would be eligible for a loan repayment grant from the fund if they agree to teach in the school with the shortage for 5 years. The annual repayment assistance is the lessor of ½ of the principal and interest owed during the year or \$3,000. The maximum total assistance

is \$15,000.

The initial impact would probably be minor the first few years but could grow over time depending on appropriations by the General Assembly. First the academy would have to be established and students recruited into the academy. For each 1,000 teachers that would qualify the maximum impact would be \$3 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education, Higher Education Commission, State Colleges and Universities.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.